



Rich History, Bright Future
Frederick County
Government
Frederick, Maryland

News Release

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County's Historic AAA Ratings Result in Significant Bond Sale Savings

FREDERICK, MD – The historic AAA stable bond ratings Frederick County Government received last week from the three major financial rating agencies have already provided significant savings for taxpayers, announced County Executive Jan Gardner. She signed documents yesterday from a live bond sale that had a very low interest rate and resulted in estimated debt service savings to the General Fund on tax exempt bonds of over \$5 million over the 20-year life of the bonds.

“I am so excited that our financial achievements have already had a very positive impact on Frederick County,” said Executive Gardner. “The savings give us enough money to build another fire station or branch library or to improve a road or bridge. I can’t say thank you enough all who were involved in achieving these historic ratings, from the County Council to our Directors and employees, to ‘Team Frederick’ who visited New York recently to share about all the good things happening here. The agencies were convinced of our excellent financial management and expressed their confidence in us, including Moody’s, which upgraded our rating.”

As to the bond sale, the interest rate on non-taxable bonds was 2.26 percent, which is considered an extremely low cost of capital. As a result of the AAA stable ratings, the county reduced the interest rate by 20 basis points lower than budget.

The county offered for sale \$85,405,000 of tax exempt bonds and \$34,820,000 of taxable bonds, which is a refunding or refinancing of Citizens and Montevue debt. Eight bids were received for tax exempt bonds, with CitiGroup being the successful bidder at a true interest cost of 2.267 percent.

Nine bids were received for the taxable bonds, with Raymond James as the successful bidder at a true interest cost of 2.532 percent. This excellent rate came with a \$900,000 premium.

“The number of bids received and the rates show that Frederick County bonds are attractive in the market,” added Executive Gardner.

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